



**FEATURES OF THE DEVELOPMENT OF INTERNATIONAL
ECONOMIC RELATIONS IN “NEW UZBEKISTAN” AND
DIRECTIONS FOR IMPROVING INVESTMENT POLICY**

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ABSTRACT	KEY WORDS
<p>This study examines the integration of Uzbekistan into the system of international economic relations, the development of foreign trade, and the regulatory framework supporting international cooperation. It analyzes reforms implemented within the Action Strategy, investment policy, and the dynamics of capital investments. Particular attention is given to centralized investments, budget funds, the Reconstruction and Development Fund, and state-guaranteed loans.</p>	<p>Economic integration, foreign trade, investments, capital investments, public policy, regulatory framework</p>

Introduction

Today, the development of foreign trade and the integration of national economies into the global market are directly linked to processes ensuring the legal and regulatory frameworks that support international cooperation, which are considered key factors.

The theoretical and practical significance of the research results lies in the fact that the scientific-theoretical ideas, developed proposals, and practical recommendations presented in this study can be used to further improve research activities in the field of foreign trade-economic relations of the Republic of Uzbekistan, the development features of international economic relations in “New Uzbekistan,” and the normative-legal foundations of supporting international cooperation, as well as in the development of necessary strategies in this area.

Economic integration is observed both at the level of national economies of countries and at the level of enterprises, firms, companies, and corporations. Economic integration is manifested in the expansion and deepening of production-technological links, joint use of resources, capital consolidation, creation of favorable conditions in the process of economic activity, and removal of mutual barriers.

LITERATURE REVIEW ON THE TOPIC

The study of the development features of international economic relations in “New Uzbekistan” and the normative-legal foundations of supporting international cooperation began in developed countries. Among foreign scholars, R. Morgan, V. Lomakin, A. Strutt, J. Poot, J. Dubbeldam, V. M. Simitenko, V. K. Pospelov, R. Harris, G. L. Bagiev, O. I. Degtyareva, A. O. Krugler, M. S. Khan, E. Helpman, P. Krugman, L. V. Vasileva, A. Kireev, S. Ivashkovskiy, A. I. Mikailushkin, E. A. Onokhina, and V. D. Matveyenko conducted research in this direction.

In Uzbekistan, national scholars such as A. Vakhobov, Sh. Khojiakbarov, Sh. Rakhmanov, G. Nazarova, N. Ismailova, and N. Sirojiddinov have carried out scientific studies in this field.

This section analyzes the theoretical foundations of the formation of new trade and economic relations in line with the initiatives of the President and the “Action Strategy,” based on the research of several scholars and researchers, as well as the development features of international economic relations in “New Uzbekistan.”

The development of the system of international economic relations (IER) is taking place based on the deepening of the international division of labor. In terms of participation in the IER system, European and American countries are distinguished by stable development indicators. Asian countries, as well as the Republic of Uzbekistan, have been steadily strengthening their position in this system in recent years due to their economic development indicators.

Under the leadership of the President of the Republic of Uzbekistan, Sh. M. Mirziyoyev, the “Action Strategy for the Five Priority Areas of Development of the Republic of Uzbekistan for 2017–2021” was developed, which has led to significant changes and elevated development to a new stage.

In particular, one of the important strategic tasks facing our country is to ensure the integration of the national economy into the world economy by forming an open economy and to elevate the effective use of the advantages of globalization and international division of labor to a new level. The successful implementation of this urgent task requires further development of the country’s international economic relations and improvement of their efficiency.

RESEARCH METHODOLOGY

In conducting the research, systematic approach, grouping, comparative analysis, economic analysis, and comparison methods were used. Such comparative and analytical methods create a basis for studying the development features of international economic relations in “New Uzbekistan,” conducting comparative analysis, identifying modern trends in the normative-legal foundations of foreign economic policy and international cooperation, and drawing appropriate conclusions by comparing them.

ANALYSIS AND RESULTS

To date, in the course of implementing the Action Strategy, 15 laws and more than 700 other normative-legal acts aimed at developing all spheres of state and public life have been adopted. In particular, in the field of improving the system of state and public administration, the structure, tasks, and functions of 16 ministries, agencies, and other organizations have been revised in accordance with modern requirements and priority directions. In addition, 20 state and economic management bodies and other organizations have been reorganized.

Table 1. Aggregate target indicators for the absorption (utilization) of centralized and decentralized investments in 2022–2026

No.	Sources of financing Total capital investments	Total for 2022–2026 2,025,200	2022				
			298,772	346,848	400,318	457,659	521,603
	Including:						
1	Centralized investments	344,309	50,767	61,480	72,378	76,106	83,579
1.1	Budget funds	136,669	23,790	25,017	28,074	29,400	30,388
1.2	Funds of the Reconstruction and Development Fund of the Republic of Uzbekistan (in UZS)	17,614	1,613.2	3,100	3,450	4,514	4,937
	In million USD	1,352	142*	258	271	335	345
1.3	Loans under the guarantee of the Republic of Uzbekistan (in UZS)	190,027	25,363	33,364	40,854	42,192	48,255
	In million USD	14,738	2,240	2,780	3,212	3,129	3,376
No.	Sources of financing	Total for 2022–2026	2022	2023	2024	2025	2026

This table presents the dynamics of capital investments and their financing sources over the period 2022–2026. The total volume of capital investments amounts to 2,025,200, showing a stable upward trend from year to year. Centralized investments total 344,309, where the main share belongs to state-funded sources. In particular, budget funds amount to 136,669 and demonstrate a consistent growth trend annually.

In addition, funds from the Reconstruction and Development Fund of the Republic of Uzbekistan and state-guaranteed loans are also important sources of financing. In particular, state-guaranteed loans represent the largest share, amounting to 190,027, and show a significant increase over the years.

In our country, in order to improve the economic environment (reducing inflation, ensuring exchange rate stability) and to stimulate entrepreneurship, the following measures are being implemented:

1. Expanding the capital market in the country in order to increase the volume of portfolio investments. Measures are being taken to direct the free funds of private enterprises and the population primarily toward purchasing shares of state-owned and partially state-owned enterprises, as well as toward the development of small and medium-sized businesses;
2. Limiting public debt. Improving the public debt management system based on international standards, maintaining public debt at a safe level for macroeconomic stability, and developing mechanisms for the efficient use of borrowed funds;
3. In the formation of investment projects:
 - introducing a system for evaluating public investments, and establishing criteria and procedures for selecting and prioritizing investment projects in social sectors, transport infrastructure, and other areas;
 - increasing the competitiveness of local producers and their adaptability to changes in external economic conditions, optimizing the structure of long-term investment financing sources by increasing

the share of private and foreign direct investments, improving labor productivity and energy efficiency, and reducing production costs;

- focusing on meeting domestic demand and increasing export potential, ensuring high economic efficiency, and increasing the share of local products used in intermediate goods (raw materials and components) within project implementation.

In addition, in order to provide consumers with choice, ensure fair competition, and achieve fair prices and high-quality standards in the market, customs tariffs on most imported goods have been reformed. Based on the above, the following measures have been implemented to develop import substitution based on local raw materials and to further expand industrial cooperation between large industrial enterprises and small businesses:

1. The heads of the Cabinet of Ministers of the Republic of Uzbekistan, state and economic management bodies, and local executive authorities have identified the acceleration of localization of production and expansion of industrial cooperation as one of their top priorities;
2. The Ministry of Economy and Industry has been designated as the authorized body responsible for deepening localization processes and developing industrial cooperation;
3. The position of the Deputy Hokim of regions and Tashkent city responsible for localization of production and expansion of industrial cooperation has been introduced within regional administrations;
4. In industry associations and large enterprises with a state share of 50% or more, the position of First Deputy Director responsible for localization, industrial cooperation, and information technologies has been introduced.

CONCLUSION AND RECOMMENDATIONS

The research results show that state policy and the regulatory-legal framework play an important role in the development of international economic relations in Uzbekistan. The steady growth of capital investments in 2022–2026 indicates increasing economic stability and investment activity. In centralized investments, state funds and guaranteed loans hold a dominant position. Reforms implemented within the framework of the Action Strategy are accelerating economic integration and strengthening the country's position in the global economy.

The following recommendations have been developed:

1. Increasing private and foreign investment. It is necessary not only to rely on state funds but also to actively attract private sector and foreign investors in order to diversify sources of investment.
2. Rational management of public debt. It is important to manage public debt in an orderly manner, keep it at a safe level for the economy, and direct it toward effective projects.
3. Development of the capital market. Expanding the market for shares and other securities will create new opportunities for investors and attract additional financial resources.
4. Selection of effective investment projects. Investment projects should be selected based on high economic efficiency and their contribution to export growth.
5. Support for domestic production. It is necessary to develop domestic production and reduce import dependency by expanding localization and cooperation between enterprises.

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